

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

November 2003

Summary

Revenue collections increased by 6.1 percent in November. Most of the monthly increase was attributable to solid growth in the Commonwealth Transportation Fund's three major sources: motor fuels tax, motor vehicle sales tax, and retail sales tax collections. On a year-to-date basis, growth is up 3.8 percent.

The updated forecast was released on December 17 and the new estimates will be included in next month's revenue report.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections grew by 4.1 percent in November. Annual collections through the first five months of fiscal year 2004 are up 2.2 percent.

Crude oil prices will be bolstered by the global economic recovery, which will drive demand for crude oil sharply higher, as demand from emerging market economies specializing in energy-intensive manufacturing is growing rapidly. The outlook for crude also depends on the weather forecast. Lower-than-average temperatures will increase the demand for heating oil and ultimately crude. Low seasonal demand has translated into lower prices for motor gasoline. However, further downward movements in gasoline prices will be restricted by prevailing high crude prices.

Motor Vehicle Sales and Use Tax

More generous incentive spending, rising consumer confidence and some growth in the Commonwealth's labor markets helped boost vehicle sales in November. Collections in this source increased by 9.8 percent in November and are up 9.9 percent for the year.

Next year, vehicle sales are expected to remain about equal to this year's pace. High affordability, tax cuts, favorable demographic trends with the maturation of the echo-boom generation, and an improving economy will support sales.

State Retail Sales Tax

The transportation portion of retail sales tax increased by 5.3 percent in November. Collections in this source are up 4.0 percent in fiscal year 2004.

Motor Vehicle Licenses

Motor Vehicle Registrations were up 0.9 percent in November. Collections of \$10.3 million were slightly higher than the \$10.2 million collected last November. Motor vehicle license receipts are down 0.7 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2003 and 2004
(Dollars in Thousands)

Revenue	FY 2004 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Estimate
			FY 2004	FY 2003	% Change	FY 2004	FY 2003	% Change	
Motor Fuel Taxes	\$842,000	25.32	\$67,072	\$64,453	4.1	\$287,881	\$281,573	2.2	4.1
Priority Transportation Fund	20,000	0.60	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax	546,000	16.42	39,859	36,292	9.8	253,796	230,977	9.9	0.6
State Sales and Use Tax	398,000	11.97	35,326	33,558	5.3	155,563	149,545	4.0	5.9
Motor Vehicle License Fees	178,200	5.36	10,279	10,190	0.9	66,610	67,073	(0.7)	12.3
International Registration Plan	64,400	1.94	2,753	2,163	27.3	13,144	16,621	(20.9)	11.9
Interest Earnings	11,500	0.35	0	0	-	3,480	4,688	(25.8)	(21.4)
Misc. Taxes, Fees, and Revenues	24,000	0.72	2,024	1,530	32.3	9,954	10,568	(5.8)	3.3
Total State Taxes and Fees	\$2,084,100	62.68	\$159,313	\$150,186	6.1	\$796,428	\$767,045	3.8	4.1

Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2003 and 2004
(Dollars in Thousands)

Revenue	FY 2004 Estimate	As a % of Total Fund	November			Year-To-Date			% Annual Growth Required By Est
			FY 2004	FY 2003	% Change	FY 2004	FY 2003	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$718,900	21.62	\$57,448	\$58,376	(1.6)	\$248,317	\$240,909	3.1	4.4
Motor Vehicle Sales and Use Tax	350,800	10.55	25,440	24,904	2.2	163,597	149,079	9.7	0.8
Motor Vehicle License Fees	153,600	4.62	8,969	9,646	(7.0)	58,249	59,269	(1.7)	10.5
International Registration Plan	64,400	1.94	2,753	2,163	27.3	13,144	16,621	(20.9)	11.9
Misc. Taxes, Fees, and Revenues	24,000	0.72	2,024	1,530	32.3	9,954	10,568	(5.8)	3.3
Total State Taxes and Fees	\$1,311,700	39.45	\$96,634	\$96,619	0.0	\$493,261	\$476,446	3.5	4.4
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,165	\$262	344.7	\$5,122	\$6,295	(18.6)	(100.0)
Transfer (to) / from Transportation Trust Fund	\$20,200	0.61	\$0	\$0	-	\$20,177	\$72,271	(72.1)	(79.2)
Total Highway Maintenance and Operating Fund	\$1,331,900	40.06	\$97,799	\$96,881	0.9	\$518,560	\$555,012	(6.6)	(2.5)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,100	3.70	\$9,624	\$6,077	58.4	\$39,564	\$40,664	(2.7)	2.5
Priority Transportation Fund	20,000	0.60	2,000	2,000	0.0	6,000	6,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	195,200	5.87	14,419	11,388	26.6	90,199	81,898	10.1	0.2
State Sales and Use Tax	398,000	11.97	35,326	33,558	5.3	155,563	149,545	4.0	5.9
Motor Vehicle License Fees	24,600	0.74	1,310	544	140.8	8,361	7,804	7.1	24.9
Interest Earnings	11,500	0.35	0	0	-	3,480	4,688	(25.8)	(21.4)
Total State Taxes and Fees	\$772,400	23.23	\$62,679	\$53,567	17.0	\$303,167	\$290,599	4.3	3.7
Other Revenues:									
Federal Grants and Contracts	\$1,068,800	32.14	\$42,306	\$49,555	(14.6)	\$353,623	\$294,707	20.0	57.6
Receipts from Cities/Counties	45,500	1.37	1,569	2,024	(22.5)	18,428	17,374	6.1	80.0
Toll Revenues (Includes Route 28)	60,800	1.83	5,532	5,186	6.7	27,238	25,847	5.4	(3.2)
Miscellaneous Revenues	65,900	1.98	1,906	245	678.0	7,560	6,061	24.7	279.1
Total Other Revenues	\$1,241,000	37.32	\$51,313	\$57,010	(10.0)	\$406,849	\$343,989	18.3	58.3
Transfer (to) / from Highway Maintenance and Operating Fund	(\$20,200)	(0.61)	\$0	\$0	-	(\$20,177)	(\$72,271)	72.1	79.2
Total Transportation Trust Fund	\$1,993,200	59.94	\$113,992	\$110,577	3.1	\$689,839	\$562,317	22.7	39.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,325,100	100.00	\$211,791	\$207,458	2.1	\$1,208,399	\$1,117,329	8.2	18.8

Percentage is greater than 1,000%.